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Topic: IP in a Decentralized World: Protecting and Enforcing Intellectual Property for Blockchain Technologies

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IP in a Decentralized World: Protecting and Enforcing Intellectual Property for Blockchain Technologies

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- **Sarah E. Bro**, Partner, McDermott Will & Emery
- **Jason Civaleri**, Chief Compliance Officer, MyCrypto
- **Ahsan A. Shaikh**, Partner, McDermott Will & Emery

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FEDERAL CIRCUIT CASE SUMMARIES

Contributors: Knobbe Martens

Metadata Could Help Independently Corroborate Inventor Testimony of Prior Conception

In *Kolcraft Enterprises, Inc. v. Graco Children's Products, Inc.*, Appeal Nos. 2018-1259, 2018-1260, inventor testimony of prior conception must be independently corroborated.

Kolcraft owns two design patents directed to children's play equipment. Graco petitioned for *inter partes* review challenging both patents on several grounds, including obviousness based on a design patent. Following institution, Kolcraft filed a Patent Owner Response that included a partially redacted inventor declaration and exhibits. Seeking to establish prior conception, Kolcraft argued that at least one exhibit showed the relevant features. But neither the declaration nor the exhibits included specific dates of conception. Subsequently, Kolcraft provided Graco with an unredacted declaration that included the alleged conception dates. During depositions, one inventor testified that the dates in the declaration were based on metadata from the computer files associated with the declaration exhibits. Kolcraft did not submit the computer files to the Board and they were not part of the administrative record. The Board determined the inventor testimony of prior invention was not corroborated and that Graco's obviousness reference was prior art.

The Federal Circuit affirmed. It held that inventor testimony of prior conception was not sufficiently corroborated because all supporting evidence depended solely on the inventors.

Federal Circuit Denies En Banc Review Regarding Eligibility of Medical Diagnostic Patents

In *Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, Appeal No. 2017-2508, the Federal Circuit voted 7-5 not to review en banc whether diagnostic claims are eligible for patent protection under § 101. The Federal Circuit's denial of en banc review included eight different opinions, all of which indicate that the Supreme Court and/or Congress should intervene to clarify or modify the patent eligibility standards for medical diagnostic claims. Each of these opinions is summarized below:

Concurring Opinions:

Lourie (Joined by Reyna and Chen)

While expressing concerns with the current precedent, Judge Lourie concurred in the court's decision not to rehear the case en banc because the Federal Circuit is bound by the Supreme Court's decision in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.* ("*Mayo*"), which held that claims focused on detecting new and useful natural laws with conventional steps were patent ineligible. Judge Lourie suggested only claims directed to a natural law itself, not uses or detection of natural laws, should be excluded from patent eligibility.

Hughes (Joined by Prost and Taranto)

Judge Hughes indicated that *Mayo* prevents the Federal Circuit from reaching a different result from the panel's majority, but describes the "bottom line for diagnostics patents" as "problematic" and invited the Supreme Court or Congress to further explicate the eligibility standards for diagnostics patents.

Dyk (Joined by Hughes, Joined in Part by Chen)

Judge Dyk stated that "[a]lthough *Mayo*'s framework is sound overall. . . the *Mayo* test for patent eligibility should leave room for sufficiently specific diagnostic patents" and called on the Supreme Court to reconsider the breadth of *Mayo*.

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Chen

Judge Chen stated that the claims at issue do not appear to withstand *Mayo*'s scrutiny but would likely have been found patent eligible under the framework outlined by the Supreme Court in 1981 in *Diamond v. Diehr* ("*Diehr*"), where the claims are read "as a whole." Judge Chen noted, however, that there is a serious question as to whether *Diehr* remains good law in view of *Mayo*, and encouraged the Supreme Court to resolve the question.

Dissenting Opinions:

Moore (Joined by O'Malley, Wallach, and Stoll)

Judge Moore found that the claims at issue are distinguishable from *Mayo* and should be held eligible. Judge Moore noted that unlike in *Mayo*, where the claims recited nothing more than the natural law, the claims at issue here recite concrete steps that "specifically confine their reach to a specific application[.]" Judge Moore discouraged additional en banc requests regarding diagnostic claims and encouraged parties to seek relief from the Supreme Court or Congress.

Newman (Joined by Wallach)

Judge Newman emphasized "the critical role of the patent system in achieving new diagnostic methods" and stated that "en banc review is needed to provide consistent and correct application of statute and precedent to methods of medical diagnosis."

Stoll (Joined by Wallach)

Judge Stoll noted that every diagnostic claim before the Federal Circuit since *Mayo* has been found ineligible. According to Judge Stoll, *Mayo*'s principles "are not applicable to every individual diagnostic claim." "Certain diagnostic claims, such as the ones at issue in this case, are so narrowly tailored that preemption is not a reasonable concern." Judge Stoll wrote that the Federal Circuit was abdicating its responsibility by "consistently bypassing en banc review of a critical issue[.]"

O'Malley

Judge O'Malley stated that Federal Circuit precedent applies the Supreme Court's holding in *Mayo* too broadly. Judge O'Malley further suggested that confusion regarding patent eligibility has been caused by the Supreme Court ignoring Congress's direction to apply § 101 as written, and stated that "claims directed to uses of natural laws rather than the natural laws themselves would be eligible under § 101 [.]" Judge O'Malley encouraged Congress to clarify that there should be no invention requirement read into § 101.

Broad Claim Language and Unpredictability in the Art Lead to Non-Enablement

In [*Enzo Life Sciences, Inc. v. Roche Molecular Systems, Inc.*](#), Appeal Nos. 2017-2498, -2499, -2545, -2546, broad patent claims were invalid as not enabled because the relevant art was unpredictable and practicing the full scope of the claims would require undue experimentation.

Enzo filed suits alleging infringement of the '180 Patent by Roche, Becton Dickinson, and Abbott, and infringement of the '405 Patent by Abbott alone. Both patents relate to the use of non-radioactively labeled polynucleotides in nucleic acid hybridization and detection applications. The district court granted summary judgment, holding that the asserted claims of the '180 Patent and '405 Patent were not enabled. Enzo appealed.

The Federal Circuit analyzed whether the '180 Patent specification enabled the creation of a labeled probe that is both hybridizable and detectable upon hybridization, as the asserted claims required. The court noted that the scope of the claims was "quite broad" and "encompasses all phosphate-labeled polynucleotides that are hybridizable and detectable," placing "almost no limitations on the structure of the claimed polynucleotide," and providing only "broad categories" of labels to be used. The court noted that the specification's guidance on how such variables would affect the claimed probes was sparse, and that at the time of the invention, the art was highly unpredictable. Although Enzo argued that the '180 Patent disclosed a working example, the court found the example to be a "paper" example which was never actually tested. Further, the court explained that even if the paper example worked, each labeled "polynucleotide would need to be tested," so "undue experimentation would still be required with regard to the many other embodiments of the claims based on the number of possible embodiments and the unpredictability in the art." As to the '405 Patent, the court stated that since the claims were broader than those of the '180 Patent, they were invalid as not enabled for the same reasons. Thus, the Federal Circuit affirmed.

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Federal Circuit Rejects Written Description Analysis That Ignored Relevant Factors

In [In Re: Global IP Holdings LLC](#), Appeal No. 2018-1426, a written description support for a claimed genus depends on the criticality or importance of the expressly disclosed species and the predictability of the relevant technology.

Global IP Holdings, LLC (Global) owns U.S. Patent No. 8,690,233 directed to carpeted automotive vehicle load floors. The '233 patent claims a load floor with thermoplastic skins and a thermoplastic cellular core. Global filed a reissue application seeking to broaden the claims, replacing the term "thermoplastic" with "plastic." Global submitted a declaration stating that use of plastic other than thermoplastic for vehicle load floors was known in the art at the time of the invention.

The Examiner rejected the claims, arguing that the change from "thermoplastic" to "plastic" introduced new matter. Global argued that disclosure of thermoplastic (species) supported the claiming of plastics (genus) since (1) the type of plastic used was not critical to the invention and (2) plastics other than thermoplastics were a predictable option. The Board affirmed the examiner's rejection, finding that "regardless of the predictability of results of substituting alternatives, or the actual criticality of thermoplastics in the overall invention, [Global's] Specification, as a whole, indicates to one skilled in the art that the inventors had possession only of the skins and core comprising specifically thermoplastic." Global appealed.

The Federal Circuit found that the Board applied an incorrect legal standard. The court held that the level of detail required to satisfy the written description requirement varies depending on the "predictability of the relevant technology," among other factors. Further, the court held that "criticality or importance of the expressly disclosed species may be relevant to whether an inventor had possession of a claimed genus." Because the Board failed to evaluate these factors, the Federal Circuit vacated the Board's decision and remanded with instructions for the Board to address them.

Standing to Appeal IPR Denied Where Petitioner Failed to Provide Evidence of Competitive Harm and Economic Loss

In [General Electric Co. v. United Technologies Corp.](#), Appeal No. 2017-2497, a petitioner who loses an IPR must proffer specific evidence of competitive injury or economic loss to establish Article III standing to appeal to the Federal Circuit.

General Electric ("GE") petitioned for *inter partes* review ("IPR") of a patent on geared-fan airplane engines owned by United Technologies Corporation ("UTC"). The Board rejected GE's arguments and found the claims not obvious in view of the prior art. GE appealed.

At the Federal Circuit, UTC moved to dismiss GE's appeal because GE lacked Article III standing. The Federal Circuit ordered UTC to brief the issue in its responsive appellate brief. The Federal Circuit allowed both sides to submit new evidence regarding GE's alleged injury-in-fact caused by the challenged patent.

The Federal Circuit held GE lacked standing because it failed to establish injury-in-fact. GE argued that it was injured because the patent caused GE (1) competitive harm, (2) economic loss, and (3) the Board's decision would estop GE from challenging the patent in the future. In support of its competitive harm and economic loss arguments, GE submitted an employee declaration that the patent prevented GE from using its 1970's engine technology as a model for developing new engines. GE also submitted evidence that Boeing had once asked GE to bid on a contract, causing GE to conduct research that "would potentially implicate" UTC's patent. The Federal Circuit held this evidence was insufficient to establish injury-in-fact because GE did not assert that it practiced the patent, that it had actually refrained from developing technology because of the patent, or lost bids because of the patent. The competitor standing doctrine did not separately establish standing because the Board's decision did not alter the status quo in the commercial airplane industry. The Federal Circuit rejected GE's estoppel argument because it previously held that estoppel is not an injury-in-fact.

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A Claimed Method Fails to Satisfy Written Description if it is Not Described as a Whole

In [Quake v. Lo](#), Appeal Nos. 2018-1779, -1780, -1782, a claimed method must be expressly described as a whole in order to satisfy the written description requirement.

Dr. Quake and Dr. Lo separately filed patent applications claiming a method for determining the presence of a chromosomal abnormality in fetuses using random massively parallel sequencing (“MPS”) method. Both Quake and Lo requested interferences to determine who first invented the method. The PTAB agreed with Lo’s argument that four claims of Quake’s patent are unpatentable for lack of written description, and Quake appealed. The Federal Circuit vacated and remanded the decision. On remand, the PTAB found that the disclosures in Quake’s specification were insufficient to demonstrate that the inventors were in possession of the random MPS method, and again found Quake’s claims unpatentable.

The Federal Circuit affirmed the PTAB’s decision. Quake’s specification only expressly describes detection to target sequences, and MPS is discussed in only two paragraphs. The first paragraph refers to a separate patent application discussing MPS, but the teachings of that application could be used in either random or targeted MPS. The second paragraph refers to “random sequence information,” but it does so in the context of identifying chromosomes through targeted MPS, not random. The Federal Circuit determined that substantial evidence supports the PTAB’s finding that those two paragraphs together are not adequate to convey using random MPS to determine chromosomal abnormality, and held that Quake’s patent does not meet the written description requirement.

Federal Circuit Rejects Claim Construction That Improperly Narrowed the Claim

In [Cisco Systems, Inc. v. TQ Delta, LLC](#), Appeal No. 2018-1806, the Federal Circuit held that it is improper to read limitations from a preferred embodiment described in the specification into claims without any clear indication that the patentee intended the claims to be so limited.

Cisco Systems, Inc. (“Cisco”) and ARRIS Group, Inc. (“Arris”) sought *inter partes* review of TQ Delta’s patent directed to a method to manage the power of a transceiver in sleep mode and to wake up the transceiver from sleep mode. The Board construed the term “synchronization signal” to mean “a signal allowing synchronization between the clock of the transmitter

of the signal and the clock of the receiver of the signal.” Using this construction, the Board found that the claims were not unpatentable over the prior art.

The Federal Circuit reversed, holding that the Board construed the terms too narrowly to the clock-based embodiment, excluding “frame synchronization.” The Federal Circuit stated that the patent’s claims and specification teach that “synchronization signal” is not limited to describing what the signal must synchronize or a particular type of synchronization (i.e., clock-based). The Federal Circuit determined that “synchronization signal” simply means “used to establish or maintain a timing relationship between transmitters between the transmitter of the signal and the receiver of the signal,” which includes frame synchronization. Accordingly, The Federal Circuit vacated the Board’s decision and remanded for the Board to consider Appellants’ unpatentability challenges under the new claim construction.

Federal Circuit Holds Adequate Notice of PTAB’s Claim Construction Provided through Oral Hearing

In [TQ Delta LLC v. Dish Network LLC](#), Appeal No. 2018-1799, the rights of parties in an IPR are not violated when the PTAB provides adequate notice of the PTAB’s understanding of the claim construction during the oral hearing.

Dish Network (“Dish”) petitioned for *inter partes* review of a patent owned by TQ Delta, LLC (“TQ Delta”) which describes a method to manage the power of a transceiver in sleep mode and to wake up the transceiver from sleep mode. The PTAB found the claims were obvious. TQ Delta appealed, arguing in part that the PTAB violated its rights by changing course to a new claim construction in the Final Written Decision.

The Federal Circuit found that the PTAB did not violate TQ Delta’s rights. The Federal Circuit determined that the PTAB did not “change course” because the PTAB did not construe the term in its Decision to Institute. Additionally, the Federal Circuit found that TQ Delta had notice of the PTAB’s interpretation of the term from the PTAB’s questions during the Oral Hearing, where it was given the opportunity to respond. The Federal Circuit also affirmed the PTAB’s claim construction, finding support for the PTAB’s construction in the surrounding claims and specification. The Federal Circuit further affirmed the PTAB’s finding of obviousness.

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Aesthetic Appeal Does Not Render Patent Invalid

In [*Automotive Body Parts Association v. Ford Global Technologies, LLC*](#), Appeal No. 2018-1613, aesthetic appeal is not an invalidating form of functionality for design patents; patent exhaustion and repair doctrines apply equally to utility patents and design patents.

ABPA, an association of auto body part companies, filed a declaratory judgment action against Ford seeking to invalidate design patents covering vehicle hood and headlight designs. According to ABPA, consumers prefer replacement parts that restore the original appearance of the vehicle. ABPA argued that Ford's design patents were invalid, because aesthetic appeal rendered the designs functional. ABPA also argued that Ford's design patents were unenforceable under the doctrines of exhaustion and repair, and could not bar sales of replacement auto body parts that look like Ford's original patented parts. The district court denied ABPA's motion for summary judgment and *sua sponte* entered summary judgment in favor of Ford.

The Federal Circuit affirmed. On invalidity, the Court reasoned that the statutory basis and economic value of design patents derives from aesthetic appeal. If aesthetic appeal were functional so as to invalidate a design patent, that would gut the principles underlying design patents. The Court declined to extend the concept of aesthetic functionality in trademark law to design patents. The Court also explained that the exhaustion and repair doctrines apply only to authorized sales of the components actually sold. The repair doctrine does not allow wholesale replacement of component parts that are themselves protected by patent. Also, exhaustion does not apply to the unauthorized replacement parts manufactured by third parties.

Patent Claims Reordering Conventional Steps May Be Ineligible Under § 101

In [*Solutran, Inc v. Elavon, Inc.*](#), Appeal Nos. 2019-1345, -1460, method claims directed to performing conventional steps in a new order may be insufficient to render claims patent eligible under § 101.

Solutran sued Elavon for patent infringement. The patent claims covered a method for processing paper checks, which comprised the following steps in sequence: a) receiving a data file with information from the checks, but not including images of the checks; b) crediting a merchant's account; c) creating digital images of the checks; and d) using a computer to

match the digital images to the data file. Elavon moved for summary judgment, claiming that the patent was directed to an abstract idea under § 101. The district court denied Elavon's motion, and affirmatively held the claims to be patent eligible, finding that the claims focused on the physical processing and transporting of paper checks. After entry of final judgment of infringement, Elavon appealed.

The Federal Circuit reversed, finding under *Alice* step one that the claims were directed to the abstract idea of "crediting a merchant's account as early as possible while electronically processing a check." The Federal Circuit explained that the physicality of the paper checks being processed and transported is not enough to exempt the claims from being directed to an abstract idea, since the claims recite conventional actions in a generic way and do not improve any underlying technology. Under *Alice* step two, the Federal Circuit did not find an inventive concept sufficient to render the claims patent eligible. The Federal Circuit noted that the patent specification described each individual step of the claims as conventional and explained that reordering conventional steps was insufficient to constitute an inventive concept.

IPRs of Pre-AIA Patents are not Unconstitutional Takings

In [*Celgene Corporation v. Peter*](#), Appeal Nos. 2018-1167, -1168, -1169, the Federal Circuit determined that retroactive application of IPR proceedings to pre-AIA patents is not an unconstitutional taking under the Fifth Amendment.

The Coalition for Affordable Drugs VI LLC ("CFAD") requested Inter Partes Review of two patents owned by Celgene Corporation ("Celgene"). The patents at issue described and claimed methods for delivering a drug to patients in a way that prevents the occurrence of adverse side effects. The Board held that all challenged claims were unpatentable as obvious. Celgene appealed the Board's decisions, arguing that the Board erred in its obviousness findings. Additionally, although it did not raise the argument before the Board, Celgene argued on appeal that the retroactive application of IPRs to patents filed pre-AIA is an unconstitutional taking.

The Federal Circuit affirmed the Board's decisions regarding obviousness for both patents. In deciding to reach the constitutional issue, the Federal Circuit used its discretion to reach issues raised for the first time on appeal in exceptional cases. The Federal Circuit then held that the retroactive application of IPR proceedings to pre-AIA patents is not an unconstitutional taking. The Federal Circuit explained that IPRs do not differ significantly enough from the pre-AIA review mechanisms for reevaluating the validity of issued patents to effectuate a taking. Specifically,

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the Federal Circuit explained that there are more significant similarities than differences between pre-AIA review mechanisms and IPRs, namely: the substantive grounds for review, the standard of proof, and the broad claim construction standard. The Federal Circuit also noted these procedures shared the same purpose of reexamining an earlier agency decision. While the Federal Circuit acknowledged some procedural differences between IPRs and pre-AIA reexaminations, it explained that there is no vested right in any given mode of procedure. Thus, because patent owners have had the expectation that the PTO could reconsider the validity of issued patents for nearly forty years, it held that IPRs do not constitute an unconstitutional taking.



DISTRICT COURT & PTAB HAPPENINGS

PTAB: Informal Delivery of Complaint Does Not Start One-Year Clock for Filing IPR

by Matthew George Hartman & Rubén H. Muñoz

Patent Trial and Appeal Board, 35 U.S.C. § 315(b), *Inter Partes Review*.

A Patent Trial and Appeal Board (PTAB or Board) panel has determined that emailing a proposed amended complaint is not “service of a complaint” under 35 U.S.C. § 315(b).

On January 23, 2018, Aristocrat Technologies, Inc. (“Petitioner”) filed an *inter partes* review (IPR) challenging claims of U.S. Patent No. 9,022,852 (the “’852 Patent”), which is directed to a method of operating a slot machine. The owner of the ’852 Patent, High 5 Games, LLC (“Patent Owner”), had previously asserted the ’852 Patent against several defendants in district court, including Petitioner. Patent Owner first included claims alleging infringement of the ’852 Patent in its second amended complaint. Notably, before Patent Owner sought leave to file its second amended complaint, the Magistrate Judge recommended that Patent Owner send a redline version of its proposed amendments to the defendants, including Petitioner, to see if they would consent to the amendments. Pursuant to that recommendation, on December 1, 2016, Patent Owner circulated, via email, a redline version of its second amended complaint to the defendants. The defendants did not consent to the amendments and on December 23, 2016, Patent Owner sought leave from the court to file the second amended complaint. The district court granted leave and Patent Owner formally filed and served the second amended complaint on January 30, 2017.

Patent Owner argued in the IPR that the petition was time-barred under § 315(b) because Petitioner was served with a complaint on December 1, 2016, which is more than one year before the January 23, 2018, filing date of the petition. Relying on the Board’s precedential analysis in *LG Electronics, Inc. v. Mondis Technology Ltd.*, IPR2015-00937, Paper 8 (PTAB Sept. 17, 2015), Patent Owner contended that the express lan-

guage of § 315(b) requires only that the petitioner be served with “a” complaint, as happened here when Patent Owner emailed the proposed second amended complaint to Petitioner. The Board disagreed and distinguished *LG Electronics* by explaining that the factual situations and questions presented there were different. Specifically, the Board noted that in *LG Electronics* there was no dispute that there was valid service of the complaint. Moreover, rather than considering the present issue—namely, whether email delivery constituted “service of a complaint” at all—the Board in *LG Electronics* addressed whether a prior valid service can be obviated by a subsequent complaint or partial dismissal of a complaint. Because of these fundamental differences, the Board concluded that Patent Owner’s reliance on *LG Electronics* was misplaced.

The Board next considered the language of § 315(b) and determined that emailing a document styled as a proposed amended complaint, without authorization from the district court, was not “service” under the plain meaning of that term. In reaching its conclusion, the Board noted that the Federal Circuit has held that the plain meaning of the phrase “served with a complaint” in § 315(b) is “‘presented with a complaint’ or ‘delivered a complaint’ *in a manner prescribed by law.*” *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018) (emphasis added). The Board also referenced the Supreme Court’s “bedrock principle” that “a defendant is not obligated to engage in litigation unless . . . brought under a court’s authority by formal process.” *Murphy Bros. v. Michetti Pipe Stringing*, 526 U.S. 344, 347 (1999). Here, Petitioner did not receive formal process and was not officially a defendant in relation to the ’852 Patent by virtue of receiving Patent Owner’s email containing its proposed amended complaint. As such, Petitioner was not obligated to engage in litigation related to the ’852 Patent. Thus, Petitioner was not “served with a complaint” in a manner prescribed by law and its petition was not time-barred.

Practice Tip: When calculating the statutory one-year deadline to file an IPR under 35 U.S.C. § 315(b), parties should carefully scrutinize the specific circumstances

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surrounding service of a complaint. Presenting a complaint to a defendant in a lesser manner than that “prescribed by law” may not constitute service under the statute.

Aristocrat Techs., Inc. v. High 5 Games, LLC, IPR2018-00529, Paper 26 (PTAB July 29, 2019)

Withdrawal of Petitioner from IPR Proceeding All But Ensures Success in Contingent Motion to Amend

by Caitlin E. Olwell, Matthew George Hartman & Rubén H. Muñoz

Patent Trial and Appeal Board, Obviousness, Prior Art, Unpatentability, Inter Partes Review.

On remand from the Court of Appeals for the Federal Circuit, the Patent Trial and Appeal Board granted patent owner’s motion to amend on the basis that the totality of the record did not demonstrate by a preponderance of the evidence that patent owner’s proposed substitute claims were unpatentable.

The Board originally issued a final written decision in an *inter partes* review (IPR) proceeding, holding that the challenged claims of U.S. Patent No. 6,904,796 (the “’796 Patent”) were unpatentable as obvious or anticipated by the prior art. The ’796 Patent is directed to a tire positioning tool that is able to work with remote tire monitoring systems made by different manufacturers. In its final written decision, the Board denied patent owner’s motion to amend because patent owner failed to set forth a *prima facie* case for the relief it requested or satisfy its burden of proof to show patentability of the proposed substitute claims. Of relevance here, the Board determined that certain proposed substitute claims included a means-plus-function limitation that could not be construed, and therefore were indefinite under 35 U.S.C. § 112.

Patent owner appealed the Board’s decision, but petitioners never entered an appearance nor took part in the appeal. The Federal Circuit affirmed the Board’s findings of unpatentability of the original claims, but

vacated and remanded the Board’s denial of patent owner’s motion to amend. The Federal Circuit explained that the Board erred in assigning the burden of proof to patent owner and, citing *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) reiterated that the Board must justify any finding of unpatentability by reference to the record in situations where the challenger has stopped participating in the proceeding and the Board proceeds to final judgment. The Federal Circuit later clarified that a petitioner bears the burden of proving that the proposed amended claims are unpatentable by a preponderance of the evidence. See *Bosch Auto. Serv. Sols., LLC v. Iancu*, Order on Petition for Panel Rehearing, No. 2015-1928 (Fed. Cir. Mar. 15, 2018).

On remand, the parties notified the Board that they had reached a settlement. Petitioners also informed the Board that they wished to withdraw from the IPR and would no longer oppose patent owner in the proceeding. The Board granted petitioners’ request to withdraw and treated such abandonment as a request for adverse judgment. Patent owner—the only party left in the proceeding—requested that the Board reconsider its proposed amended claims per the Federal Circuit’s guidance. Those amended claims included, *inter alia*, additional limitations reciting a “means for recording” and a “means for selecting.”

Turning to the proposed claims, the Board found that the additional limitations were responsive to the grounds of unpatentability involved in the IPR proceeding and that those limitations did not enlarge the scope of the claims of the ’796 Patent. See 37 C.F.R. § 42.121(a)(2)(i); 35 U.S.C. § 316(d)(3). The Board further held that the proposed substitute claims were adequately described in the ’796 Patent’s specification and did not introduce new subject matter. See 37 C.F.R. § 42.121(a)(2)(ii); 35 U.S.C. § 112 ¶ 1.

After determining that patent owner’s motion to amend met the pertinent statutory and regulatory requirements, the Board found that the totality of the record did not establish by a preponderance of the

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evidence that the proposed substitute claims were unpatentable. Relying on the Federal Circuit's guidance, the Board emphasized its role in evaluating the patentability of the claims in light of the record and confirmed that patent owner does not bear the burden of proving that the substitute claims are patentable. And while the Board originally rejected certain proposed amended claims as indefinite under 35 U.S.C. § 112, the Board recognized that petitioners' withdrawal from the IPR proceeding had changed the "facts and evidence on indefiniteness." For instance, in light of petitioners' request, the Board had expunged petitioners' opposition to the motion to amend.

Thus, on the current record, the Board found that petitioners did not meet their burden to show by a preponderance of the evidence that the amended substitute claims were unpatentable as indefinite under 35 U.S.C. § 112. Consequently, the amended claims were deemed patentable.

Practice Tip: When a petitioner withdraws from an IPR proceeding, the Board may deny a motion to amend only if it justifies that finding of unpatentability by reference to the evidence of record. Thus, in cases where a patent owner may escape from the Board with substitute claims that can be asserted against future defendants, a patent owner may have an incentive to reach settlement with the IPR petitioner before a decision is final.

Autel U.S. Inc., and Autel Intelligent Technology Co. Ltd. v. Bosch Automotive Service Solutions LLC, Case IPR2014-00183, Paper 62 (Aug. 1, 2019).



INTERNET SIGHTINGS

by **Frederic M. Douglas and James E. Hawes**

This column highlights some of the more notable recent online notices, newsletters, and blogs dealing with IP prosecution issues.

IPWatchdog – a patents and patent law blog – [IPwatchdog.com](http://ipwatchdog.com)

On August 12, 2019, a post reviewed the Federal Circuit opinion in *Quake v. Lo, Nos. 2018-1779, 2018-1780, 2018-1782, 2019 U.S. App. LEXIS 20407 (Fed. Cir., July 10, 2019)* (<https://www.leagle.com/decision/infco20190710121>) which announced that the written description requirement under 35 U.S.C. § 112 is not satisfied if the entire claimed method is not described by the specification. (<https://www.ipwatchdog.com/2019/08/12/claimed-method-whole-must-described-satisfy-written-description-requirement/id=112056>).

In the August 13, 2019 post news comes that Section 101 rejections have decreased across computer-related art units since the USPTO issued its 2019 revised eligibility guidance (<https://www.ipwatchdog.com/wp-content/uploads/2019/01/revised-101-guidance-2018-28282.pdf>). (<https://www.ipwatchdog.com/2019/08/13/update-101-rejections-uspto-prospects-computer-related-applications-continue-improve-post-guidance/id=112132/>).

Patent Docs – A patent blog – www.patentlyo.com.

In his July 24, 2019 post, Professor Dennis Crouch discussed the interplay between experimental data and proving sufficient written description in the context of *Nuvo Pharmaceuticals v. Dr. Reddy's Laboratories Inc., No. 17-02473, Petition for Rehearing En Banc (Fed. Cir., June 14, 2019)* (<https://cdn.patentlyo.com/media/2019/07/NuvoEnBancPetition.pdf>) (<https://patentlyo.com/patent/2019/07/proving-description-experimental.html>).

In a July 30, 2019 post, Jason Rantanen discussed *Solutran, Inc. v. Evalon, Inc., No. 2019-1345, 2019-1460 (Fed. Cir., July 30, 2019)* (<https://cdn.patentlyo.com/media/2019/07/19-1345.Opinion.7-30-2019.pdf>) wherein the Federal Circuit reversed the district court, holding that claims directed towards an abstract idea, despite the involvement of handling paper checks in a computer-related method claim (<https://patentlyo.com/patent/2019/07/solutran-processing-eligible.html#more-27438>).

In his August 20, 2019 post, Professor Dennis Crouch discussed a non-precedential decision affirming a finding that claims to a “customization module” is a means-plus-function element that is indefinite if no algorithm is disclosed *Grecia v. Samsung Electronics America, Inc., No. 2019-1019, (Fed. Cir., August 20, 2019)* (<http://www.cafc.uscourts.gov/sites/default/files/opinions-orders/19-1019.Opinion.8-20-2019.pdf>) (<https://patentlyo.com/patent/2019/08/customization-indefinite-disclosed.html>).

AIPLA – the profession’s national organization – see AIPLA.org

AIPLA will hold its 2019 Annual Meeting October 24-26, 2019 in Washington, D.C. More information on this meeting and other events is available at <https://www.aipla.org/home/meetings-education/upcoming-events/expand/2019-annual-meeting>.

For more information about any of the patent topics mentioned consult Patent Application Practice. Trademark topics are discussed in Trademark Registration Practice. Both are published by West and updated twice a year. For patent prosecution or litigation questions, contact Fred Douglas at 949/293-0442 or by email at fdouglas@cox.net.



JOIN AN OCIPLA COMMITTEE!

AMICUS COMMITTEE

This committee shall: a) scrutinize judicial decisions which involve significant issues of law or practice which affect intellectual property, (b) recommend to the Board of Directors that amicus curiae briefs be filed in appropriate cases, and (c) draft OCIPLA amicus curiae briefs.

PROFESSIONAL PROGRAMS COMMITTEE

This committee shall identify and recommend curricula to the Board of Directors and assist in coordinating educational programs to be conducted during regular monthly meetings or at other times on topics which: (1) are of interest and benefit to the OCIPLA members; or (2) pertain to the professional activities of OCIPLA members and are of interest to others. The Committee will also assist the Board of Directors in obtaining speakers and otherwise preparing for the presentation of approved educational programs. The Professional Programs Committee shall include a litigation and prosecution subcommittees.

CORPORATE PRACTICE COMMITTEE

This committee shall develop and disseminate information that is particularly useful to in-house attorneys, and promote efficient exchanges of best practices among in-house attorneys. *Co-chairs:*

- **MICHAEL KLINE**, michaelkline@clevelandgolf.com
- **MARK KERTZ**, mark.kertz@medtronic.com

MEMBERSHIP COMMITTEE

This committee shall focus on expanding and diversifying the membership of OCIPLA, and shall work closely with other Committees and the Board of Directors to provide insights as to what IP practitioners in our IP community want from a legal organization and how OCIPLA can better the local IP community.

NEW LAWYERS COMMITTEE

This committee shall focus on members in their first ten years of practice. The Committee shall provide educational and networking opportunities to new lawyers at OCIPLA. In addition, the Committee shall work closely with other Committees to provide new lawyers with opportunities to become more involved in the association, including participating in planning for OCIPLA meetings, coordinating networking events and other social activities for OCIPLA, assisting in research & writing projects, and developing educational materials.

**Interested in joining an
OCIPLA Committee?**

Contact us [here!](#)

MAKE OCIPLA EVEN BETTER!

LAW STUDENT COMMITTEE

This committee shall serve the law students in the local community, with particular focus on communicating their concerns to the Board of Directors and to welcome more law students to join the association as active members. The Committee shall also work closely with other Committees to provide law students with opportunities to become more involved in the association, including participating in planning for OCIPLA meetings, coordinating networking events and other social activities for OCIPLA, assisting in research & writing projects, and developing educational materials.

NEWSLETTER COMMITTEE

This committee shall identify, recommend to the Board of Directors and prepare high quality, educational material for the OCIPLA Newsletter. *Co-Chairs:*

- **BROCK WILSON**, bfwilson@akingump.com
- **CLARK GORDON**, cgordon@akingump.com

TRADEMARK PRACTICE COMMITTEE

This committee shall consider all aspects of the practice of trademark law before the United States Patent and Trademark Office, aid in the institution of improvements in the administration of the trademark laws by the USPTO; monitor proposed changes in the USPTO Rules of Practice relating to trademark law and, with the advice and consent of the Board of Directors, inform the USPTO as to the position of the Association regarding such proposed changes; receive and coordinate views of members in connection with any existing problems or suggestions for improvements in the USPTO administration, and with the advice and consent of the Board of Directors, forward these views to the USPTO, and make recommendations to the Board of Directors regarding these duties.

COPYRIGHT PRACTICE COMMITTEE

This committee shall consider all aspects of the practice of copyright law before the Copyright Office of the Library of Congress, and to make recommendations to the Board of Directors regarding same.

FORMER PRESIDENT'S COMMITTEE

- **EHAB SAMUEL**, esamuel@mannatt.com
- **MATT LAPPELL**, matt@lappellubell

WOMEN IN IP COMMITTEE

This committee shall promote the role of women in IP law practice in and around Orange County. Membership and participation are open to men as well.

All committees shall consist of members appointed by the Board of Directors for a two-year term.



OCIPLA 2019 Board of Directors

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OCIPLA Newsletter

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We hope that the Newsletter is informative, entertaining, and interesting. Comments, ideas, announcements, proposed articles, suggestions and any other communications concerning the content, form or other aspect of this Newsletter may be directed to:

Sarah Bro
2019 OCIPLA Newsletter Editor

